



8(a) News

Hawaii District Office

June 2004

Hawaii's 8(a) BD Program Resource

Issue 5

U.S. Small Business Administration Hawaii District Office

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8(a) Stats

Number of Firms in the Hawaii
District Office Portfolio
As of May 31, 2004: **221**

New Participants:

Progressive Computer Services, Inc.	3/04
Tony's Workshop	3/04
Dunhill Personnel of Hawaii, Inc.	4/04
Gomez Bros., Inc. dba Mako Diving & Salvage	4/04
Hana Engineering, Inc.	4/04
Project Enterprises, Inc.	5/04
R.W. Almonte Enterprises, Inc.	5/04
Su-Mo Builders, Inc.	5/04

All of the SBA's programs and services are provided to the public on a nondiscriminatory basis.

MIXING IT UP

A participant receives a program term of nine years from the date of SBA's approval letter certifying admission to the 8(a)BD program. Throughout the nine year term the participant must maintain its program eligibility. One area that SBA monitors is the efforts by a participant to "mix up" their 8(a) and non-8(a) revenue. Revenue derived from 8(a) sole source and 8(a) competitive awards to a participant is 8(a) revenue. All other revenue including subcontract work on an 8(a) award is considered non-8(a) revenue.

Participants must make maximum efforts to obtain business outside the program throughout their program term. Further, beginning with the transitional stage (5th year) of participation, SBA requires that the participant achieve certain targets of non-8(a) contract revenue. These targets are called Business Activity Targets (BATs) and are expressed as a percentage of total revenue. BATs during the transitional stage of program participation are as follows:

	Non-8(a) business activity targets (required minimum non-8(a) revenue as a percentage of total revenue)
1 st year	15%
2 nd year	25%
3 rd year	35%
4 th year	45%
5 th and final year	55%

A participant that fails to meet the applicable BAT will be ineligible to be awarded sole source 8(a) contracts in the current program year, unless and until the participant corrects the situation. The participant may also be subject to other requirements and increased monitoring by SBA.

A participant can demonstrate that it has complied with its BAT by waiting until the end of the current program year and demonstrating to SBA as part of the normal review process that it has met the BAT for the current year or submit information regarding its non-8(a) revenue to SBA quarterly throughout the current program year in an attempt to come into compliance before the end of the current program year.

To qualify for reinstatement during the first six months of the current program year (i.e., at either the first or second quarter review), the firm must demonstrate that it has received non-8(a) revenue and new non-8(a) contract awards that are equal to or greater than the dollar amount by which it failed to meet its BAT for the just completed program year. For this purpose, SBA will not count options on existing non-8(a) contracts in determining whether a participant has received new non-8(a) contract awards.

To qualify for reinstatement during the last six months of the current program year, the participant must demonstrate that it has achieved its non-8(a) BAT as of that point in the current program year.

So "Mix It Up" and remember that BATs are there to ensure that participants do not develop an unreasonable reliance on 8(a) awards and to ease their transition into the competitive marketplace after graduating from the 8(a)BD program.

SUBCONTRACTING FAIR

SBA held its second annual Subcontracting Fair on June 8, 2004 at Kapolei Hale. This event is one of many training and networking sessions SBA affords to small businesses. The half day event welcomed over a 100 small business attendees who were able to attend briefings by the U. S. Army Regional Contracting Office-Hawaii and Tripler Army Medical Center during the first part of the fair.

Thereafter, attendees were able to schedule matchmaking sessions and network with prime contractors and federal agencies. Those in attendance included Actus Lend Lease, CH2MHILL, Department of Transportation, Dick Pacific Construction Company, DZS/Baker, LLC, Earth Tech, Inc., Fluor Federal Services, General Services Administration, U.S. Army Regional Contracting Office-Hawaii, Tripler Army Medical Center, U.S. Army Corps of Engineers, Wilson Okamoto & Associates and SBA.

A similar event was held on June 17, 2004 in Guam. Present at the Navy Vendor Fair were OICC Marianas, ComNavMar, Naval Hospital, PWC Credit Card, and NTCMS Credit Card. This event was attended by 165 attendees representing 122 companies.

SBA encourages 8(a) participants to attend networking and training sessions that could serve to enhance a participant's business development.

MATCHMAKING WITH THE U.S. ARMY REGIONAL CONTRACTING OFFICE

A matchmaking event with the U.S. Army Regional Contracting Office was held on June 23, 2004. Army representatives Sandra Kim and Geri Ambrosio provided 8(a) participants information on the "Who, What, and Where" of the U.S. Army Regional Contracting Office. This event was one of the best attended 8(a) events and provided 8(a) participants with information about the products and services purchased by the Regional Contracting Office.

In addition to minor construction, the Regional Contracting Office handles facilities maintenance, equipment maintenance, logistic services, education, supplies and equipment, environmental and energy support, community services, information system maintenance, and employment services. The activity also purchased approximately \$18 million of the previously mentioned products and services using purchase cards in Fiscal Year 2003. Purchase card acquisition of products and services do not exceed \$2,500 or \$2,000 for construction. Additionally, the amount of purchase card transactions for the first 9 months of Fiscal Year 2004 has increased to approximately \$20 million.

If you have not attended a recent 8(a) event, please consider doing so in the future. Access to events such as the above referenced Regional Contracting Office event are limited to Hawaii District Office 8(a) participants and are excellent opportunities to network and gain managerial, technical, and/or procurement assistance.



Participants networking at the June 8 Subcontracting Fair



Dick Pacific discusses business opportunities with a small business



Actus Lend Lease during a matchmaking session

CHANGES TO BE AWARE OF

STAFFING...Please welcome back Erlyne Lum to the 8(a)BD team as a Business Opportunity Specialist. Since 9/22/03, Erlyne has been detailed to the Hawaii District Office's Finance and Entrepreneurial Development Divisions. During her detail, Lyn Womack and most recently Mary Dale serviced Erlyne's 8(a) portfolio. Erlyne is reassigned her original portfolio and looks forward to meeting those firms that joined the program during her detail.

ANNUAL UPDATES...Annual updates continue to be processed in the district office although centralized processing remains on the horizon. For those firms that have not submitted their business plan, annual update information, financial statement, SBA Form 1790 and/or other information requested by SBA, the district office will begin issuing voluntary early graduation and termination notices.

NATIVE HAWAIIAN ORGANIZATION (NHO)...The district office's 8(a) portfolio currently has three 8(a) participants that are NHO owned concerns. The three 8(a) for profit participants are JTSL, Inc., Dawson Group, Inc., and Hana Engineering, Inc.

1790s...Requests for SBA Form 1790 will be e-mailed to participants in July 2004. The request covers the period 1/1/04-6/30/04.

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UPCOMING EVENTS

2nd Annual DoD Hawaii Small Business Forum

Place: Honolulu Country Club

Location: 1690 Ala Puumalu, Honolulu, HI

Date: July 13, 2004

Time: 7:30a.m. to 4:00p.m.

3rd Annual MED WEEK Celebration

Place: Hale Koa Hotel

Location: 2055 Kalia Road, Honolulu, HI

Date: July 23, 2004

Time: 11:30a.m. to 1:30p.m.

U.S. Small Business Administration



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